GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:4000
ANSWERED ON:27.03.2017
Special Package for Hilly States
Kashyap Shri Virender

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government proposes to create employment opportunities by granting special package for setting up industries in hilly States/regions of the country;

(b) if so, the details thereof including the funds allocated for the purpose during the current year, State/UT-wise and if not, the reasons therefor; and

(c) whether the Government has received any proposal from the hilly States in this regard and if so, the details and the status thereof, State-wise including Himachal Pradesh?

Answer

???????? ??? ?????? ???????????? (????????? ??????)(??????? ??????? ???????)
THE MINISTER OF STATE (INDEPENDENT CHARGE)
OF THE MINISTRY OF COMMERCE & INDUSTRY
(SHRIMATI NIRMALA SITHARAMAN)

(a) & (b): Government of India had announced a package of industrial incentives for promoting industrialization in the States of Himachal Pradesh and Uttarakhand on 07.01.2003, which was implemented initially for a period of 10 years till 06.01.2013. It was further extended for another period from 07.01.2013 to 31.03.2017 with certain modifications. Under the modified package, Capital Investment Subsidy for all new units and to the existing units on substantial expansion is @15% of investment of plant & machinery subject to a ceiling of Rs. 50 lakh for MSME units and Rs. 30 lakh for others.
For the State of Jammu & Kashmir, the modified Special Package Scheme is valid upto 14.06.2017. Under this Scheme following financial assistances is provided:
? Capital Investment subsidy for all new units and to the existing units on substantial expansion- for MSME @ 30% of investment in plant and machinery with a ceiling of Rs 3 crore for Manufacturing units and Rs1.5 crore for Service Units, whereas for other units @ 15% of investment in plant and machinery with a ceiling of Rs 30 lakh.
? Interest subsidy @ 3% on the average daily working capital loan for a period of five years from the date of commencement of commercial production.
? Insurance subsidy for all new units and to the existing units on substantial expansion to the extent of 100% for a period of five years from the date of commencement of commercial production
During the current financial year, an amount of Rs. 24.96 crore had been released to these Special Category States which includes Rs.10.17 crore for Jammu & Kashmir, Rs. 9.08 crore for Himachal Pradesh and Rs. 5.71 crore for Uttarakhand.
(c): Yes, Madam. A request was received from Principal Secretary (Industries), Government of Himachal Pradesh for extension of Capital Investment Subsidy Scheme for further period of 5 years in order to give boost to investment in the State of Himachal Pradesh. In respect of the State of J&K, request was received from Chief Minister of J&K for extension of the package on the pattern of North Eastern States.
In this regard, a Committee of Secretaries under the Chairmanship of NITI Aayog has been constituted which met on 23.02.017 in New Delhi to deliberate upon a new industrial policy and stakeholder consultations are being held.

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